

JUDICIAL BRANCH

The State Constitution vests California's judicial authority in a tripartite court system composed of the Supreme Court, the Courts of Appeal, and the trial courts. The Administrative Office of the Courts provides support to the Supreme Court, the Courts of Appeal, the trial courts, and the Judicial Council. The Commission on Judicial Performance administers judicial discipline.

For 2004-05, the Governor's Budget proposes approximately \$2.9 billion for the Judicial Branch, in combined General Fund, special funds, federal funds, and reimbursements: \$373.8 million (\$302.6 million General Fund) for the Judiciary; \$3.9 million General Fund for the Commission on Judicial Performance; \$2.2 billion (\$1.1 billion General Fund) for the trial courts; and \$276 million (\$147.3 million General Fund) for the judges' retirement costs.

Judiciary

Functions of the Judiciary

The Judiciary encompasses the activities of the Supreme Court, the Court of Appeals, the Judicial Council/Administrative Office of the Courts, and the Habeas Corpus Resource Center. The Supreme Court is the

highest court in the State judicial system, which reviews legal questions of statewide importance and appeals to all death penalty judgments. The six District Courts of Appeal hear appeals in all areas of civil and criminal law. The Judicial Council is the policy making body for the State judicial branch and the Administrative Office of the Courts is the Administrative arm of the Council. The Habeas Corpus Resource Center provides legal representation in death penalty habeas corpus proceedings in the Supreme Court and in the federal courts.

Program Enhancements and Other Budget Adjustments

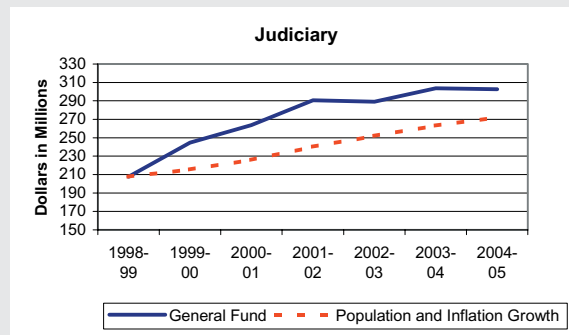
The 2004-05 Judicial budget totals \$373.8 million, which includes \$312.8 million in State operations and \$61 million in local assistance. This amount reflects a decrease in expenditures of \$8.3 million over the 2003 Budget Act.

Court Interpreter Program—The Judiciary budget includes an augmentation of \$235,000 from the Court Interpreter Fund to address increased costs of court interpreter certification activities and the one-time costs of developing written and oral examinations for two newly certified languages.



Key Audit Findings— Judiciary

- Since 1998-99 to 2003-04, total funding for the Judiciary has increased from \$253 million to \$365 million, an increase of \$112 million, or approximately 44 percent. Of this amount, General Fund support has increased by \$86 million (42 percent) and the balance of the increase is in reimbursement authority and limited special funds.
- The primary areas of increased General Fund costs in the Judiciary include:
 - ❑ \$12 million to establish 12 new Justice positions in the Court of Appeals beginning in 1999-00.
 - ❑ \$10 million to establish the Equal Access Fund local assistance program, beginning in 1999-00.
 - ❑ \$4 million to establish a trial court financial system beginning in 2001-02.
 - ❑ \$1.3 million for an 8.5 percent salary increase for Justices in the Supreme Court and Court of Appeals beginning in 2000-01.



Unallocated Reduction—Due to current economic conditions and the State’s fiscal constraints, the Judiciary budget reflects an ongoing unallocated General Fund reduction of \$9.8 million in 2004-05.

Court Judges, Assigned Judges, and Court Interpreters. Prior to 1997, the Superior Courts were operated and funded by each county.

State Trial Court Funding

Functions of the Trial Courts

The State Trial Court Funding budget provides local assistance funding to support the operations of California’s 58 Superior Courts. The State Trial Court Funding budget consists of the following four programs: Support for the Operations of the Trial Courts, Salaries for Superior

Improving Accountability and Service Delivery

The audit identified several areas where restructuring aspects of trial court operations could result in long-term savings, efficiencies, or cost avoidance.

These include the following:

- Restructuring the collective bargaining process between the courts, court employee unions, and the State, to allow for State-level participation in the negotiat-

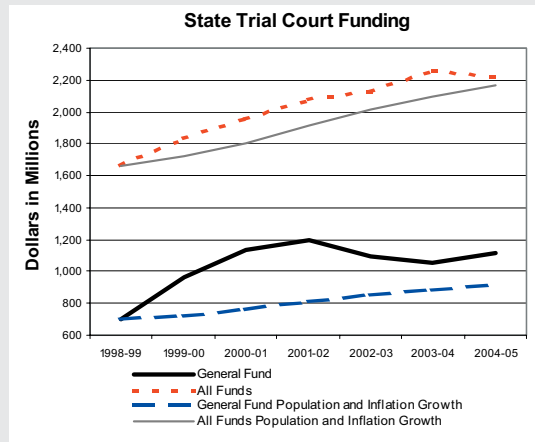
ing process. Currently, each local court negotiates with the local employee unions to determine court employee salaries and benefits without any representation of State-level interests in the negotiation process. However, funding for negotiated increases becomes the responsibility of the General Fund even though there has been no State-level participation in the negotiation process nor any State-level review or approval.

- Restructuring the way that court security is provided to allow courts greater cost controls and flexibility. Currently courts are required to contract with the county sheriff to receive court security services,

and the sheriff is authorized to determine the level of security needed in the court and to bill the court for the cost of these services. Over the past several years, local sheriff employee unions have negotiated significant salary and benefit increases, the costs of which are passed on to the courts, but are funded by the General Fund. The local courts and the State do not have the ability to affect local negotiations in this area but are expected to pay the costs of what is negotiated. Although some efforts are already underway to expand the use of more non-law enforcement security staff for certain court functions, more could be done to control costs in this area.

Key Audit Findings— State Trial Courts

- Funding for the State Trial Courts has increased from \$1.657 billion in 1998-99 to \$2.329 billion in 2003-04. General Fund support has increased from \$699 million to \$1.034 billion, an increase of \$335 million or 48 percent. The remainder of the support for the trial courts is provided by the Trial Court Trust Fund, which primarily receives revenue from court filing fees, fines, and a capped level of support from counties.



The primary areas of increased General Fund costs in the trial courts include:

- \$215.5 million associated with negotiated salary and benefit increases for trial court employees.
- \$86.5 million for increased costs of court security contracts.
- \$69.6 million associated with court modernization and technology initiatives.
- \$33.2 million in employee compensation increases.
- \$26 million in increased funding for family and children court services.
- \$25.4 million in increased costs of court employee retirement plans.



■ Restructuring the way that court employee benefits are currently provided to achieve greater consistency, cost controls, and economies of scale. Most court employees currently receive retirement, health, and other benefits through the county plans where the court is located. When changes are made to the types of benefits offered to county employees, often as a result of negotiations between the counties and their employees, court employees are included in those changes, and the costs are passed on to the courts, to be funded by the General Fund. Additionally, court employees throughout the state are members of a wide variety of benefit plans that offer different types of benefits, sometimes inconsistent with what state employees receive, and with costs that range significantly between plans.

The Administration would support the Judicial Branch in efforts to restructure court operations in these areas to provide greater State-level participation in local court labor negotiations, the provision of court security, and employees benefits. Such changes will allow courts to have more control over major cost drivers, improve consistency in how funding is spent in courts throughout the state, and ensure that court services are provided at a consistent and adequate level. These changes should be designed to allow the courts to achieve financial efficiencies and controls, and result in the avoidance of future cost increases.

Program Enhancements and Other Budget Adjustments

The 2004-05 Trial Court Funding budget includes \$1.1 billion General Fund and \$1.1 billion in non-General Fund resources, for a total of \$2.2 billion. This represents

an overall decrease of \$37.7 million and a General Fund increase of \$64 million from the 2003 Budget Act. This General Fund increase is primarily due to the restoration of one-time reductions and transfers made in the 2003 Budget Act.

The Trial Court Funding budget reflects the following reductions and savings:

Unallocated Reduction—Due to current economic conditions and the State's fiscal constraints, the State Trial Court Funding budget includes an ongoing unallocated General Fund reduction of \$59 million. With this ongoing reduction and the restoration of one-time reductions taken in the current year, General Fund support for the trial courts has increased by \$64 million over the 2003-04 fiscal year. The Administration would support various efforts to restructure court operations in a manner that will allow courts to achieve savings and efficiencies necessary to operate within the level of funding proposed on an ongoing basis.

General Fund Loan—The Administration proposes to loan the General Fund \$30 million from the State Court Facilities Construction Fund. With this loan, the State Court Facilities Construction Fund will have sufficient resources to continue the current level of support to the Judiciary in order to begin transferring court facilities from the counties to the State in 2004-05 pursuant to Chapter 1082, Statutes of 2002.